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NEWS RELEASE

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UEX Reports Best Hole Ever From Raven-Horseshoe Deposit: HU-16 Intersects High-Grade, Basement-Hosted Uranium Mineralization Grading 4.53% U₃O₈ Over 12.35 Metres, Including 10.3% U₃O₈ Over 3.4 Metres, Which Includes 22.17% U₃O₈ Over 0.60 Metres

UEX Corporation ("UEX") is pleased to announce the results from the first 16 drill holes of the Summer 2006 advanced exploration program at the Raven-Horseshoe Deposit ("Raven-Horseshoe"). The results include an intersection in hole **HU-16 grading 4.53% U₃O₈ over 12.35 metres, from 201.50 metres to 213.85 metres**, representing the best intercept to date in the deposit, which occurs in the Horseshoe Zone within an area of widely-spaced historical drilling. The 16 drill holes reported here represent the initial holes of UEX's Phase 2 drilling within Raven-Horseshoe, which is intended to provide sufficient drilling density to enable calculation of a National Instrument 43-101 compliant resource. Upon receipt of the latest results, UEX commenced a 3-dimensional digital modeling study of the Raven-Horseshoe mineralization, and engaged Golder Associates ("Golder") of Saskatoon, Saskatchewan to begin an environmental baseline study.

Raven-Horseshoe is located within UEX's 100% owned Hidden Bay Project in the eastern Athabasca Basin of northern Saskatchewan, Canada, close to the uranium mining and milling operations at Rabbit Lake, owned by Cameco Corporation ("Cameco"), and McClean Lake, operated by AREVA Resources Canada Inc. ("AREVA"). Raven-Horseshoe mineralization is situated entirely within competent basement rocks, similar to Cameco's Eagle Point Deposit at Rabbit Lake located 17 kilometres to the northeast. Raven-Horseshoe hosts a total historical resource estimate of 6.7 million tonnes at an average grade of 0.16% U₃O₈, representing approximately 23 million contained pounds of U₃O₈. [Note: this is a historical resource completed by Gulf Minerals ("Gulf") that was not estimated using current Canadian Institute of Mining, Metallurgy and Petroleum categories based on widely spaced drill holes, and for which no current resource or reserve confidence categories were applied.]

The 2006 drilling results reported here are from two additional cross sections to the northeast of the 2005 Phase 1 drilling area in the Horseshoe Zone, with sections spaced 70 metres apart, and holes on those sections spaced 30 metres apart. Significant results include the following mineralized intersections, which occur between 156 and 257 metres depth:

- **4.53% U₃O₈ over 12.35 metres in hole HU-16, including 10.30% U₃O₈ over 3.40 metres, which includes 22.17% U₃O₈ over 0.60 metres (A zone)**
- **0.62% U₃O₈ over 11.50 metres in hole HU-15 (A zone)**
- **0.81% U₃O₈ over 4.55 metres in hole HU-11 (B zone)**
- **0.25% U₃O₈ over 8.70 metres in hole HU-08 (A zone)**
- **0.40% U₃O₈ over 11.56 metres in hole HU-07 (A zone)**

- **0.33% U₃O₈ over 11.45 metres in hole HU-06 (A zone)**

Full results are shown in Table 1 below. Only intervals with grades greater than 0.15% U₃O₈ and a grade-thickness product of greater than 0.1 are listed in Table 1. Analyses were performed by the Saskatchewan Research Council Geoanalytical Laboratories ("SRC") utilizing ICP. True widths of mineralized intervals have not yet been determined.

The high-grade intersection in hole HU-16 includes a interval of 22.17% U₃O₈ over 0.60 metres, which represents the highest grade ever intercepted in the Raven-Horseshoe Deposit. Mineralization defined by these and other intercepts reported in Table 1 on these cross sections defines two shallow, southeast-dipping, sub-zones of hematite-clay-pitchblende alteration that strike in a northeast direction, and which have been named the A (Upper) and B (Lower) zones. The strike length of both sub-zones is still open to the northeast, and is at least 140 metres. Other narrower intersections reported in Table 1 could represent parts of additional pods of mineralization.

Upon receipt of the latest results, UEX commenced in-house, 3-dimensional digital modeling of the mineralization to better interpret its shape and extent, and to assist planning of further infill and follow-up drill holes. Drilling at the Horseshoe Zone is planned to continue until late October 2006. The results of the 2006 drill holes, those from the 2005 program, and subsequent holes to be completed on 70 metre sections during the upcoming 2007 winter drilling program will form a first pass evaluation of the distribution of mineralization in the deposit. Subsequent infill drilling may be required to define a resource in those portions of the deposit where higher grade zones are identified.

Golder has commenced environmental baseline studies at Raven-Horseshoe. In addition, UEX has engaged Golder to begin a study of geotechnical and metallurgical data from Raven-Horseshoe drillcore for the purposes of future feasibility studies.

About the Raven-Horseshoe Deposit

The Raven-Horseshoe Deposit is of the basement-hosted type and is located approximately 5 kilometres southeast of the edge of the Athabasca Group sandstones, which normally cover uranium deposits in the Athabasca Basin. The deposit is also located less than 5 kilometres south of Cameco's Rabbit Lake Mill. The deposit comprises two shallow plunging zones developed over a 2.5 kilometre strike length, and at depths of 50 to 450 metres below surface in quartzite. Mineralization is hosted by zones of hematite alteration which fringe the margins of a broad, south dipping, fault-controlled clay alteration zone, in a geometry that is comparable to some roll-front style uranium deposits. Unlike unconformity-type deposits such as McArthur River and Cigar Lake, Raven-Horseshoe is within competent pre-Athabasca basement rocks with no overlying sandstone that could allow underground ramp access and conventional underground mining methods if an economic resource is defined. Cameco's producing Eagle Point Mine, located 17 kilometres to the northeast, is also in basement rocks and is mined by such methods.

UEX's initial Phase 1 drilling program carried out in 2005 (see UEX News Release, February 14, 2006) focused on defining the continuity of mineralization on five cross sections spaced 60 to 75 metres apart within two areas of the Raven and Horseshoe zones. Based on the positive results from that program, particularly in the Horseshoe Zone (which included intersections of 0.57% U₃O₈ over 8.7 metres in hole HO-004, and 2.82% U₃O₈ over 2.9 metres in hole HO-009), systematic drilling of successive cross sections to the northeast in the Horseshoe Zone commenced in areas known to contain mineralization based on the results of historical, widely-spaced drilling by Gulf. The current program is designed to identify bodies of coherent higher-grade mineralization within the historical resource, and

potential extensions of mineralization not identified by Gulf, which could be mined selectively by underground methods. The 2005 and 2006 drilling reported to date has only tested 250 metres of the 1,100 metre strike length of the Raven Zone, and 375 metres of the 800 metre strike length of the Horseshoe Zone as defined by Gulf.

Sample Handling and Quality Assurance

Geochemical samples are selected with the aid of a hand-held scintillometer to identify areas of above background radioactivity. Samples are split, with half remaining in the core box, and the remainder shipped to SRC where they are crushed and ground to minus 106 microns. The pulp is digested in aqua regia leach and analyzed by ICP for U₃O₈ and other elements. In addition to the geochemical analyses, down-hole probe radiometric results, obtained for all drill holes on completion of drilling, provide an independent check of the geochemical data. Probe results can be used for grade calculations where poor ground conditions occur and drill core recoveries are low, although in the Raven-Horseshoe deposit recoveries are generally at, or close to, 100%. UEX has commenced systematic insertion of sample blanks into the sample stream. In addition, repeat analyses are routinely analyzed, and laboratory standards are inserted by SRC to assess sample repeatability and accuracy of results.

The technical information in this news release has been compiled and reviewed by David Rhys, P. Geo., a qualified person as defined by National Instrument 43-101.

About UEX

UEX is a Canadian uranium exploration company formed under an agreement between Pioneer Metals Corporation and Cameco. Cameco, the world's largest supplier of uranium, is UEX's largest shareholder. UEX began trading on the Toronto Stock Exchange in July 2002 and is actively involved in the exploration and development of 19 uranium projects, including seven that are 100% owned and operated by UEX, one joint venture with AREVA that is operated by UEX, ten under option from AREVA and one under option from Japan-Canada Uranium Company, Limited, which are operated by AREVA. The 19 projects, totaling 386,650 hectares (955,400 acres), are located in the eastern, western and northern perimeters of the Athabasca Basin, the world's richest uranium belt, which accounts for approximately 30% of the global primary uranium production. UEX's exploration budget for 2006 is \$19.0 million and the Company has a cash position of approximately \$83.0 million.

To view maps of Raven-Horseshoe, please access UEX's website at www.uex-corporation.com under "Projects – Eastern Athabasca – Hidden Bay".

ON BEHALF OF THE BOARD OF DIRECTORS OF UEX CORPORATION

Stephen H. Sorensen, President & C.E.O.

Forward looking statements: This news release contains certain forward-looking statements ("statements") which are subject to a variety of risks and uncertainties beyond UEX's ability to control or predict, and which could cause actual events or results to differ materially from those anticipated in such statements. Although UEX believes that the assumptions inherent in the statements are reasonable, undue reliance should not be placed on them.

Table 1.
Summer 2006 Horseshoe Drilling Program

Significant Intersections from Drill Holes HU-01 to HU-16

Only intervals with grades greater than 0.15% U₃O₈ and grade-thickness product greater than 0.1 are listed below. Analyses performed by Saskatchewan Research Council Geoanalytical Laboratory by ICP.

Hole	Total Depth of Hole (metres)	From (metres)	To (metres)	Length (metres)	Avg. Grade Within the Intersection (% U ₃ O ₈)	
HU-16	272	199.60	213.85	14.25	3.970	
	<i>Including</i>	201.50	213.85	12.35	4.532	
	<i>which includes</i>	204.80	208.20	3.40	10.301	
	<i>which includes</i>	204.80	205.40	0.60	22.170	
	<i>and</i>	212.85	213.60	0.75	12.382	
HU-15*	320	180.50	192.00	11.50	0.620	
	<i>Including</i>	180.50	183.40	2.90	0.759	
	<i>which includes</i>	181.00	181.40	0.40	3.809	
	<i>and</i>	188.80	191.00	2.20	1.940	
		193.60	194.20	0.60	0.204	
HU-14	309	168.70	169.50	0.80	0.275	
		179.90	181.40	1.50	0.442	
		208.20	208.60	0.40	0.314	
HU-13	317	239.00	242.35	3.35	0.382	
		<i>Including</i>	240.70	242.35	1.65	0.595
HU-12	321	187.00	191.20	4.20	0.309	
		<i>Including</i>	196.30	197.30	1.00	0.243
HU-11	341	242.66	243.55	0.89	0.469	
		253.30	257.85	4.55	0.807	
		<i>Including</i>	256.08	257.85	1.77	1.746
HU-10	<i>No intervals grading more than 0.15% U₃O₈</i>					
HU-09	266	190.90	191.20	0.30	0.575	
HU-08	353	156.30	157.40	1.10	0.261	
		164.30	173.00	8.70	0.254	
		165.50	167.40	1.90	0.578	
		184.50	186.00	1.50	0.175	
HU-07	323	163.58	175.14	11.56	0.395	
		<i>Including</i>	163.85	164.52	0.67	1.136
		<i>and</i>	166.08	171.26	5.18	0.581
		<i>which includes</i>	170.74	171.26	0.52	1.887
HU-06	302	166.93	168.23	1.30	0.212	
		171.85	183.30	11.45	0.328	
		<i>Including</i>	174.64	178.20	3.56	0.605
		<i>and</i>	180.47	180.67	0.20	2.524
HU-05	<i>No intervals grading more than 0.15% U₃O₈</i>					
HU-04	<i>No intervals grading more than 0.15% U₃O₈</i>					
HU-03	<i>No intervals grading more than 0.15% U₃O₈</i>					
HU-02	<i>No intervals grading more than 0.15% U₃O₈</i>					
HU-01	<i>No intervals grading more than 0.15% U₃O₈</i>					
* Includes unsampled interval from 185.7-186.9 m, composited here at zero grade. Interval has now been sampled and will be reported when results are received.						